

Message Text

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63

ACTION ARA-20

INFO OCT-01 ISO-00 CCO-00 CIAE-00 OTPE-00 EB-11 FCC-03

INR-10 NSAE-00 OC-06 RSC-01 COME-00 SPC-03 SAM-01

AID-20 NSC-10 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 DODE-00 PA-04 USIA-15 PRS-01 SEC-03 L-03 H-03

DRC-01 /149 W

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R 301634Z JAN 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2568

LIMITED OFFICIAL USE CARACAS 0934

E.O. 11652: N/A

TAGS: OGEN, EFIN, EIND, ETEL, VE

SUBJ: DISINVESTMENT OF U.S. TELEVISION COMPANIES
IN VENEZUELA

REF: STATE 11738

1. SHUTE AND HOROWITZ ARRIVED THURSDAY EVENING, DELAYED ONE DAY. SHUTE CAME TO EMBASSY FRIDAY MORNING BEFORE THEY KEPT APPOINTMENT WITH PRESIDENTIAL SECRETARY, TO WHICH THEY HAD BEEN SUMMONED WITH FOREWARNING THEY WOULD BE ASKED TO WORK OUT NBC'S DISINVESTMENT FROM ITS 10 PERCENT INTEREST IN CHANNEL 2 BEFORE JANUARY 31. EMBASSY'S ECONOMIC-COMMERCIAL, POLITICAL AND USIS OFFICERS BRIEFED SHUTE IN DETAIL, AND HE MET WITH CHARGE FISHER. WE ADVISED SHUTE NOT TO LET CONFRONTATION DEVELOP BUT TO BE NON-COMMITTAL ABOUT DEADLINES AND TERMS FOR DISINVESTMENT. NBC'S ACTIVITIES HAD BEEN UNOBJECTIONABLE - NO MORE THAN 10 PERCENT OWNERSHIP, NO MANAGEMENT ROLE EXCEPT BRIEF ADVISING ROLE IN EARLY 1960'S AND NO EFFORT TO TIE CHANNEL TO NBC PRODUCTIONS OR REFUSE NBC PRODUCTIONS TO OTHER CHANNELS. GOVERNMENT MOVE WAS TAKEN NOT LIMITED OFFICIAL USE

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UNDER EXPROPRIATION PROCEDURES BUT UNDER INFORMATION LAW

AUTHORITY TO REGULATE FOREIGN INVESTMENT OR MANAGEMENT, AND INFORMED SOURCES ALLEGED REAL TARGET WAS EXILE CUBAN EXECUTIVES, WHOSE COMMUNITY HAD OPPOSED COPEI PARTY IN ELECTIONS. WE REPORTED INDICATIONS THAT CHANNEL 2 AND CHANNEL 4 WOULD TRY TO BUY THEIR NBC AND ABC PARTNERS RESPECTIVELY ON FAIR TERMS.

2. SHUTE REPORTED TO US THAT PRESIDENTIAL SECRETARY HAD PRESSED CHANNEL 2 EQUALLY WITH NBC. WE INFORMED HIM THAT GUSTAVO CISNEROS OF CHANNEL 4 HAD TOLD PUBLIC AFFAIRS OFFICER THAT SATISFACTORY ARRANGEMENT HAD ALREADY BEEN REACHED WITH ABC, AND SHUTE SAID CHANNEL 2 HAD ALSO TOLD HIM THIS.

3. AFTER WEEK-END NEGOTIATIONS, AGREEMENT WAS WRITTEN UP MONDAY AND SIGNED TUESDAY AFTERNOON. SHUTE AND HOROWITZ DID NOT INDICATE ANY DISSATISFACTION WITH AGREEMENT. THEY DEPARTED FOR NEW YORK WEDNESDAY MORNING.
MCCLINTOCK

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Message Attributes

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